

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY SINGAPORE

C O N F I D E N T I A L STATE 101773

E.O. 11652: N/A

TAGS: EFIN, ASEAN

SUBJECT: VISIT OF PETER SCHAEFER OF DEVELOPMENT
ALTERNATIVES

1. MR. PETER F. SCHAEFER, MANAGER, COMMERCIAL DEVELOPMENT,
DEVELOPMENT ALTERNATIVES, INC. PLANS TO VISIT THE FIVE
ASEAN CAPITALS DURING FIRST TWO WEEKS OF MAY. DEVELOPMENT
ALTERNATIVES, INC. (DAI) IS A WASHINGTON-BASED INTERNATIONAL
CONSULTING FIRM SPECIALIZING IN THE DESIGN, IMPLEMENTA-
TION AND EVALUATION OF DEVELOPMENT PROJECTS. THE AYALA
CORP., SEVERAL POSSIBLE ARAB FINANCIAL GROUPS AND DAI ARE
CONSIDERING ESTABLISHING A DEVELOPMENT FINANCE CORPORATION
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BASED IN SOUTHEAST ASIA. THIS FIRM WOULD FACILITATE THE
TRANSFER OF LOAN AND EQUITY CAPITAL FROM THE MIDDLE EAST
AND TECHNOLOGY FROM THE WEST. THE FIRM IS INTERESTED IN
WORKING WITH THE ASEAN COUNTRIES AND WANTS TO ASSESS THE
INVESTMENT POTENTIAL IN THIS AREA. THE INTERNATIONAL
FINANCE CORPORATION HAS REPORTEDLY GIVEN THIS IDEA AN
ENCOURAGING INITIAL RESPONSE. THE FIRM WOULD EMPHASIZE

PRIMARY SECTOR DEVELOPMENT OF THE LESS DEVELOPED AREAS OF THE ASEAN REGION.

2. SCHAEFER PLANS TO SPEND TWO OR THREE DAYS IN EACH ASEAN CAPITAL STARTING FIRST IN BANGKOK AND THEN KUALA LUMPUR, SINGAPORE, JAKARTA AND MANILA. HE WOULD LIKE THE EMBASSY SUGGESTIONS REGARDING POSSIBLE HOST GOVERNMENT OFFICIALS AND LOCAL ENTREPRENEURS WITH WHOM HE MIGHT MEET. SCHAEFER PLANS TO CALL EMBASSY ECONOMIC COUNSELOR AT EACH POST TO ARRANGE AN APPOINTMENT. SCHAEFER DOES NOT HAVE A SPECIFIC ITINERARY BUT WILL BE IN SEA DURING FIRST HALF OF MAY. WE ALERTED HIM TO THE POSSIBLE OVERLAP OF HIS VISIT WITH VICE PRESIDENT MONDALE'S TRIP TO BANGKOK AND JAKARTA. HE WILL ENDEAVOR TO AVOID A CONFLICT.

3. FYI. DURING PAST FOUR MONTHS SCHAEFER HAS VIGOROUSLY BEEN SEEKING USG SUPPORT FOR ONE GROUP OF PHILIPPINE MUSLIM LEADERS (KNOWN COLLECTIVELY AS COORDINATING AND ADVISORY COUNCIL (CAC) OF BANGSA MORO MOVEMENT) WHO HAVE BEEN TRYING TO WREST CONTROL OF MORO NATIONAL LIBERATION FRONT FROM LEFTIST NUR MISUARI. SCHAEFER HAS SOUGHT PUBLIC STATEMENT BY USG RECOGNIZING CAC AS LEGITIMATE LEADERSHIP OF PHILIPPINE MUSLIMS. HE HAS ALSO URGED THAT USG ACT AS INTERMEDIARY IN ARRANGING NEGOTIATIONS BETWEEN CAC AND GOP.

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4. DEPARTMENT HAS INFORMED SCHAEFER: THAT WE CONSIDER MUSLIM INSURRECTION IN SOUTHERN PHILIPPINES TO BE BASICALLY AN INTERNAL MATTER OF PRIMARY CONCERN TO GOP; THAT USG COULD NOT APPROPRIATELY INDICATE SUPPORT, EITHER PRIVATELY OR PUBLICLY, FOR ANY SPECIFIC MUSLIM GROUP, SO LONG AS THAT GROUP REMAINED IN INSURRECTION AGAINST GOP; THAT, IF ASKED BY GOP, USG IS PREPARED TO RENDER ASSISTANCE IN BRINGING ABOUT PEACE AND IN SEEKING SOLUTIONS TO THE PRESENT SITUATION IN THE SOUTHERN PHILIPPINES, BUT THAT IT IS NOT APPROPRIATE FOR USG TO TAKE INITIATIVE IN SUCH MATTERS.

5. JACK ANDERSON HAS RECENTLY ACQUIRED OFFICIAL GOP CORRESPONDENCE IN WHICH SCHAEFER'S ACTIVITIES ON BEHALF OF CAC ARE REFERRED TO. ALTHOUGH WE HAVE MADE CLEAR TO GOP THAT SCHAEFER IS ACTING ENTIRELY ON HIS OWN AND NOT ON BEHALF OF USG, ANDERSON MAY PUBLISH ARTICLE AT ANY TIME IN WHICH SCHAEFER MAY BE ERRONEOUSLY LABELED AS USG AGENT. END FYI.

6. WE ARE POUCHING TO ADDRESSEES CARE OF ECONOMIC SECTIONS A DESCRIPTION OF DAI AND ITS PROPOSAL FOR ASEAN. SCHAEFER

WOULD APPRECIATE JAKARTA'S ASSISTANCE IN ARRANGING
APPOINTMENTS WITH ASEAN SECRETARIAT. SINCE DAI HAS LONG-
STANDING BUSINESS CONTACTS IN THE PHILIPPINES, SCHAEFER
MAY NOT FIND IT NECESSARY TO SEEK EMBASSY MANILA'S
ASSISTANCE. IN FACT, SINCE JACK ANDERSON DEVELOPMENT,
HE IS DUBIOUS ABOUT TRAVEL TO MANILA AT THIS TIME. POSTS

SHOULD EXTEND SCHAEFER APPROPRIATE ASSISTANCE BUT SHOULD
RESIST BECOMING INVOLVED IN DISCUSSION OF MATTERS MEN-
TIONED IN FYI PARAS. ABOVE. CHRISTOPHER

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